



Senator Sherrod Brown

American Recovery and Reinvestment Act *COBRA Continuation Coverage Assistance*

What is the economic recovery package?

The economic recovery package is an unprecedented federal investment to stimulate all sectors of the economy, protect the most vulnerable, create jobs for hardworking Americans, and modernize the country's infrastructure. But how does it work? In Ohio, the economic recovery package will help to stimulate the economy in three ways:

1. The state government will distribute funds using noncompetitive formula grants. The State of Ohio is accepting proposals at www.recovery.ohio.gov.
2. Federal agencies will be accepting proposals for Federal Competitive Grants. For more information, visit Senator Brown's website at www.brown.senate.gov or the President's webpage www.recovery.gov.
3. 95% of taxpayers will receive immediate and significant tax relief. Want to learn more about how these tax benefits will affect you? Turn the page over to learn more!

What the economic recovery package means for Ohio...

- Creates or saves **133,000 jobs** in Ohio.
- Provides **critical tax relief** for an estimated 4.5 million middle class Ohioans through the "Making Work Pay Tax Credit" and relief of the "Alternative Minimum Tax" for 884,000 Ohioans.
- **Saves money, reduces energy consumption and creates jobs** through energy efficiency programs.
- Invests \$68 million in targeted communities hard hit by job loss and high unemployment by **retraining dislocated workers** and helping communities build regional industry **clusters**.
- Improves education throughout the state by **investing in local school districts and public colleges and universities**.

...and what it means for YOUR HEALTH BENEFITS

- If you have recently lost your job involuntarily, you may be eligible for a temporary premium reduction for health benefits purchased from your former employer.
- Those eligible for other group insurance, such as a spouse's plan or Medicare, are not eligible for the premium reduction.
- If you previously declined or discontinued this coverage, you may have another opportunity to elect COBRA coverage and pay a reduced premium.
- Your employment-based health plan should provide notice of eligibility, including any forms necessary. Contact your plan directly to enroll.
- See the sidebar on the right-hand side for more details. Or, visit the links below.

The Recovery Act and **COBRA**

- The Recovery Act provides premium reductions for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly called COBRA.
- COBRA gives workers who lose their jobs, and therefore their health benefits, the right to purchase group health coverage provided by the plan for up to 18 months at group rates. The COBRA premium may still be higher than what the individual paid while employed, but the cost is generally lower than for private, individual insurance.
- Individuals are eligible to receive COBRA premium reductions if involuntarily terminated on or after September 1, 2008 through December 31, 2009.
- Individuals eligible for premium reductions are required to pay only 35 percent of their COBRA premiums for up to 9 months. The remaining 65% is reimbursed directly to the former employer, plan administrator, or insurance company.

For a COBRA Fact Sheet on premium reductions, please visit:
<http://www.dol.gov/ebsa/newsroom/fsCOBRAPremiumreduction.html>